

UC - NMT  
MEMORANDUM OF UNDERSTANDING  
ON INTELLECTUAL PROPERTY

This Memorandum of Understanding on Intellectual Property (MOU) sets forth certain understandings of The Regents of the University of California (UC), as operator of Los Alamos National Laboratory (LANL) for the National Nuclear Security Administration, a part of the United States Department of Energy (DOE), under Contract Number W-7405-ENG-36, and the Regents of the New Mexico Institute of Mining and Technology (NMT) regarding patenting, commercialization and royalty sharing of certain inventions and works of authorship conceived or created by UC and/or NMT faculty, employees, contractors or students.

WHEREAS, ownership rights in inventions and works of authorship created, conceived or first actually reduced to practice under any Unfunded Arrangement between NMT and UC must be consistent with 42 U.S.C. 5908, to the extent applicable;

WHEREAS, ownership rights of NMT in inventions developed by NMT employees, contractors, faculty or students, funded in whole or in part by the U.S. Government or through the UC contract with the DOE, are governed by 35 USC 200 *et seq.*, unless NMT expressly waives such ownership rights in lieu of other ownership rights granted to NMT by DOE through an advance class waiver;

WHEREAS, ownership rights of NMT works of authorship either solely authored or co-authored by NMT employees, contractors, faculty or students, funded in whole or in part by UC or the U.S. Government under a separate agreement, will be governed by the terms of the separate agreement;

WHEREAS, intellectual property in which NMT has an ownership interest will be further governed by NMT's Intellectual Property Policy for intellectual property developed by NMT employees, faculty, or students and by contract for intellectual property developed by NMT contractors;

WHEREAS, ownership rights of UC in inventions and works of authorship created by UC employees or contractors at LANL, irrespective of the source of funding, are controlled by UC's contract with DOE and all class waivers applicable to such inventions granted to UC by DOE; and

WHEREAS, in all works of authorship created and inventions conceived or first actually reduced to practice during the course of any arrangement between UC and NMT, the U.S. Government will retain a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States such works of authorship and inventions throughout the world, to the extent provided for in 42 U.S.C. 5908.

NOW, THEREFORE, THE EXPECTATIONS OF THE PARTIES ARE AS FOLLOW:

1. Definition.

- a. “Subject Invention” means any Invention conceived or first actually reduced to practice in the course of or under an arrangement pursuant to this MOU.
- b. “Invention” means any invention or discovery that is or may be protectable under U.S. patent law.
- c. “Intellectual Property” means patents, copyrights and mask works.
- d. “Joint Appointee” means an individual employed and paid part-time by UC and part-time by NMT.
- e. “NMT agent” means a NMT contractor, employee (staff, faculty, or other, but not a Joint Appointee), or student who is not a UC employee.
- f. “UC employees” means individuals employed by or under contract to UC (but not Joint Appointees).
- g. “NMT LANL Investigator” means a UC employee who is named or who serves as an investigator on behalf of NMT either under a grant or contract to NMT, or pursuant to a contractual arrangement giving rights in ensuing intellectual property to third parties.
- h. “Unfunded Arrangement” means any type of collaboration by the Parties occurring outside any specific implementing agreement (e.g. Cooperative Research and Development Agreement (CRADA) of Non-federal Work For Others Agreement (WFO)) executed by the Parties and where such implementing agreement specifically governs the disposition of Subject Inventions and/or Intellectual Property.

2. Scope. This MOU applies to the following situations in which, irrespective of ownership, the sharing of proceeds of commercialization is to be apportioned:

- Intellectual Property created both by UC employees and NMT agents;
- Intellectual Property created by UC employees utilizing NMT equipment, personnel or facilities on the premises of NMT for which NMT is not fully compensated by UC;
- Intellectual Property created by NMT agents utilizing UC equipment, personnel or facilities on the premises of LANL for which UC is not fully compensated by NMT;

- Intellectual Property created by individuals who are Joint Appointees;
  - Intellectual Property created by full-time UC employees who also hold titles and/or part-time employment at NMT, when such inventions are created within the individual's scope of NMT employment.
3. Responsible Party. Upon the filing of an Intellectual Property disclosure at either UC or NMT relating to one or more of the above-enumerated examples, a copy thereof will be sent to representatives of the NMT Patent Administration Office and the Technical Transfer Division (TTD) at LANL. NMT and TTD are expected to agree within 90 days after receipt thereof which of TTD or NMT will:
- undertake an analysis of the potential value of the Intellectual Property which it will share with the other party upon request; and,
  - exclusively undertake any patenting or other protection of the Intellectual Property; and,
  - exclusively undertake the licensing or other commercialization of the Intellectual Property.

The party assuming responsibility for the above matters is referred to herein as the Responsible Party. The agreement as to which party will be the Responsible Party will be memorialized in a Commercialization Agreement between UC and NMT.

4. Division of Licensing Proceeds.
- a. Within such 90-day period, the parties will also reach agreement as to how each will share in the proceeds of licensing the Intellectual Property. Such an agreement will be based on the parties' determination as to the value of the contribution of each party to the Intellectual Property. In determining the value of the contribution of each party, consideration will be given to, among other matters, the extent of the intellectual contribution of the employees or agents of each party, as well as the value of the non-monetary support of each party to the Intellectual Property. By way of example, such non-monetary support includes the use of equipment or facilities of one party that have not been otherwise expressly compensated for by the other party. In any event, the value contributed by any Joint Appointee will be attributable 50% to each of UC and NMT. The agreement will be memorialized in the Commercialization Agreement. Once made, such agreement will be final unless otherwise agreed by the parties.
  - b. Such sharing of the proceeds of licensing as described herein is in lieu of all other licensing obligations between the parties relative to commercialization of the Intellectual Property. The parties further acknowledge and agree that the

adequacy of such sharing of proceeds is, because of the need to promptly resolve issues that might delay commercialization, necessarily limited to information then available. Nonetheless, it is the parties' intention that such matters will be resolved at that time, and, absent fraud or purposeful nondisclosure by a party, such resolution will remain binding upon the parties even in the face of information later developed.

5. Dispute Resolution. If NMT and TTD are unable to agree within such 90-day period as to which of them will be responsible for patenting and licensing of the Intellectual Property, or how the parties will share in licensing proceeds, then such unagreed issues will be resolved by the NMT Vice President for Research and the LANL Deputy Director for Science and Technology. Their mutual decision must be rendered within 30 days after referral to them and that decision will be final.
6. Resignation of Responsible Party. If the Responsible Party should decide not to continue performance of the tasks described in the Section labeled "Responsible Party" with respect to any Intellectual Property, it will so advise the other party in a timely fashion so as to effectively allow the other party to assume such tasks if it so desires.
7. Costs. The Responsible Party will be responsible for payment of all costs of patenting and commercialization. Such party will be entitled to reimbursement for the reasonable out-of-pocket patent and commercialization costs incurred by it from the proceeds of such commercialization before any such proceeds are shared between the parties. Documentation with respect to such costs will be provided to the other party.
8. Roles of Parties in Commercializing.
  - a. The Responsible Party will have full authority, and the same is hereby granted, to represent the interests of both parties. The Responsible Party will have authority to apply its expertise in determining what form of commercialization will be adopted for the Intellectual Property as to which it is the Responsible Party and will make periodic reports regarding the commercialization of the Intellectual Property, including patent status and the commercialization efforts made. That party will also make disbursements annually to the other party, beginning on the January 1 or July 1 following the first receipt of such proceeds.
  - b. The party not responsible for protecting and commercializing the Intellectual Property will cooperate with such efforts by making information and other internal resources reasonably available as appropriate and will use all reasonable efforts to promote the cooperation of its employees or agents who created it. The party not responsible for protecting and commercialization will execute all documents necessary and appropriate to allow the Responsible Party to carry out its protecting and commercialization responsibilities, including execution of powers of attorney.

9. Contracts with Third Parties. It is recognized that either party may be actively engaged in working with third parties to conduct research involving background intellectual property within the Scope of this MOU. For example, UC may issue a CRADA to a company, or NMT may obtain a sponsored research contract from a company, to develop an invention that was created jointly by UC and NMT agents. The parties will exercise reasonable efforts to identify contractual commitments involving or building upon jointly owned background intellectual property (including options to negotiate a license on future inventions building upon such background technology), and will, before entering into such agreements, consult with the other party to make sure that ongoing research and commercialization efforts are coordinated.
10. Representations. Each party represents that it has full power and authority to agree with the other party how inventions subject to this MOU are protected and commercialized and how the income from licensing thereof will be shared by the parties.
11. No Third Party Rights. Nothing in this MOU, express or implied, is intended to confer any rights, remedies, claims, or interests upon a person not a party hereto.
12. Term and Termination. Either party may terminate this MOU upon 90 days written notice. This MOU will run from the date of signing for a period of five years. Any agreements reached by the parties to designate the Responsible Party will survive such termination or expiration, and the provisions of this MOU governing the relationship between the parties upon the designation of the Responsible Party will survive as to the Invention which is the subject of any such agreement.
13. Separate Agreements. With respect to inventions and works of authorship arising under any research project carried on under a separate agreement between UC and NMT, such as a CRADA, WFO, or lease agreements for laboratory equipment, material and facilities, it is explicitly understood that the terms of such agreement relating to inventions and works of authorship will, to the extent inconsistent herewith, supersede the terms herein.
14. Intellectual Property of NMT LANL Investigators. When NMT LANL Investigators create Intellectual Property pursuant to arrangements giving intellectual property rights to third parties (including sponsors), UC, to the extent of its rights, agrees to license to NMT those intellectual property rights necessary for NMT to meet its obligations to such third parties. UC agrees to execute all documents necessary and appropriate to implement and document the provisions of this paragraph.

The parties have each signed this MOU indicating their acceptance of these terms.

Regents of the University of California

Regents of the New Mexico Institute of  
Mining and Technology

by:\_\_\_\_\_

by:\_\_\_\_\_

Date:\_\_\_\_\_

Date:\_\_\_\_\_

Name: George Pete Nanos

Name: Daniel H. Lopez

Title: Director  
Los Alamos National Laboratory

Title: President  
New Mexico Institute of Mining and  
Technology